

A Cold Winter for Them

Portuguese Find No Solution To Angola Refugee Problem

By Marvino Howe

LISBON, Jan. 9 (NYT).—The winter has been cold in Portugal, with near freezing temperatures, but for the refugees from Angola it has seemed even colder.

There are about 350,000 refugees, most of them destitute and

openly yearning to return to Angola, which became independent of Portugal Nov. 11.

"The dimensions of the problem are too great for us," Capt. Ramalho Ortigao, spokesman for the government's refugee agency, the Institute for Aid to Returned Nationals, said in an interview.

Capt. Ortigao, his face lined with exhaustion and tension, said that he was leaving the agency this week to return to the barracks "because there is no solution."

Portugal spent \$156 million on the refugees last year and, as Capt. Ortigao acknowledged, with nothing to show for it.

Small Compensation

The money was used to bring refugees here and to give them a bare sustenance. They are automatically considered unemployed and receive a small compensation which is costing the government \$11,700,000 a month.

The airlift brought out 235,315 refugees in the six-month period that ended Oct. 31. The Portuguese Air Force and TAP, the country's airline, carried most of them.

The United States joined the airlift in August with two charters bringing out 30,727 refugees and British aircraft brought out 5,306. Lesser assistance was provided by the Soviet Union, West and East Germany and France.

"We had to leave Angola because we were terrorized by the war around us," Raquel Carrasco Oliveira, a philosophy and history teacher, said, adding emphatically: "Most of us want to go back as soon as security is restored."

Most of the refugees have found cramped, uncomfortable lodgings with relatives in villages and towns in northern Portugal. Many have only light clothing and are suffering from unheated homes.

Ly Reception

"What's worse is the icy reception," refugees say over and over again. They say they are treated as "colonialist exploiters" by the mainland Portuguese.

A few have found jobs, but the rest must live on the meager government checks. A married couple receives \$98 a month plus \$8 for each child; an unmarried adult gets \$78 a month.

The refugees are frustrated and angry and a potential center of revolt.

"They've brought back arms with them and will use them if things go on as they are," says Jose Neto, 23, a university student from Lobito, in western Angola, who wants to go to Israel to study archaeology.

Refugees who do not have relatives in Portugal are in some ways better off than those who do. About 30,000 are living in hotels and boarding houses—mostly in Lisbon—at government expense.

New Student Riot

Stirs Martial Law Talk by Demirel

ISTANBUL, Jan. 9 (UPI).—Police traded shots with members of a group of about 1,000 leftist students demonstrating outside the U.S. Consulate today, and Premier Suleyman Demirel warned that he may impose martial law to end an escalation in student violence which has claimed 12 lives.

The gun battle did not cause any injuries or damage at the consulate, officials there said, but Turkish authorities reported that one policeman was shot in the hand during the clash.

"If the country becomes uncontrollable without martial law, then martial law becomes one of the tools the government may resort to," Premier Demirel told reporters in Ankara after discussing the new violence with President Fahri Koruturk. "However, the government has made no decision at the moment," the Premier said.

Students marched to the consulate from Istanbul's university campuses to protest an Ankara university clash in which 14 students were wounded when police charged rightists and leftists yesterday.

Some students fired at police guards in front of the consulate in Istanbul. "There were only three or four policemen before the consulate entrance," a police spokesman said. "They fired back." He said that the students dispersed through side streets when police reinforcements arrived.

14 Are Killed, 60 Hurt In Hamburg Ship Blast

HAMBURG, Jan. 9 (AP).—At least 14 workers were killed and about 60 were injured in a large explosion aboard a tanker under construction in the Blohm and Voss company's shipyards here today.

Police said the explosion occurred in the boiler room of the unfinished vessel, the Anders Maersk, being built for a Scandinavian Maersk line.

U.S. Sees Gain If S. Africans Quit Angola

(Continued from Page 1)

the said, "South Africa has no claim in Angola and... we would like to see Angola as a free and independent country—free from interference on the part of outside forces."

Meanwhile, Pentagon sources said that a Soviet guided-missile cruiser is steaming southward along the west African coast, raising the possibility that it could join other Soviet Navy vessels in the Angola area.

The Kresta-class cruiser, which sailed out of the Mediterranean, was last reported off Mauritania.

The sources said that the cruiser is expected to reach Conakry, Guinea, this weekend. Soviet naval vessels have operated out of Conakry for about three years, but Pentagon officials said that they do not yet know whether the cruiser will stop there or sail on south toward Angola to reinforce a destroyer and two other Soviet ships already in the area.

OAU Meeting Saturday

ADDIS ABABA, Jan. 9 (Reuters).—The Organization of African Unity will meet tomorrow to discuss the Angolan civil war.

It will be the first special summit meeting called by the organization, indicating the concern of African leaders over the situation in Angola.

However, any attempt to take decisive action on Angola may destroy the unity of the organization and divide Africa into two opposing camps.

Nearly half the OAU's 46 member-states now support the MPLA and this group may have the majority necessary to push through general recognition of its Luanda-based regime at tomorrow's conference.

However, several African states are opposed to the MPLA and concerned about Soviet influence in Angola.

Portugal Seeking Big Loans From Western Allies

LISBON, Jan. 9 (Reuters).—Portuguese Minister of Finance Francisco Salgado Zenha said yesterday that Portugal is negotiating foreign loans amounting to 20 billion escudos (about \$740 million) to help the country out of its economic crisis.

In a televised speech, he said the funds would mainly come from West Germany, the United States, the International Monetary Fund, the Common Market and the European Free Trade Association.

The loans would be primarily for the development of agriculture, fishing, food industries, textiles and construction.

The minister said 300,000 Portuguese were now unemployed—about 15 per cent of the labor force.

Mrs. Peron Asks Nation to Unite Against Terror

BUENOS AIRES, Jan. 9 (AP).—President Isabel Peron, in her first major public appearance in a month, today urged Argentines to join the fight against terrorism to insure "our country's survival."

More than 1,000 persons have been killed in political violence since Mrs. Peron assumed the presidency on the death of her husband in July, 1974. Twenty have died since New Year's Day.

"We all have to take part in this fight," Mrs. Peron said in a speech during a military graduation at a theater in the capital.

The speech was broadcast nationwide by radio and television. Mrs. Peron, 44, appeared healthy despite rumors she was ill again.

3 Slain, 7 Kidnapped

VILLA CONSTITUCION, Argentina, Jan. 9 (Reuters).—The bullet-riddled bodies of three workers were found here yesterday, and there was fear for the lives of at least seven persons kidnapped in the central industrial city of Cordoba, Wednesday.

Norwegian Ship Missing

OSLO, Jan. 9 (UPI).—A Norwegian supertanker carrying a crew of 32 including 3 women has not been heard from since Dec. 28 and is missing in an area east of the Philippines, the shipowner said this week.

News Analysis

Chou-Formed Team to Help Test His Legacy

By Fox Butterfield

HONG KONG, Jan. 9 (NYT).—The death of Chou En-lai comes at a time when China appears solidly embarked on a broad course of stability and economic development which he had helped to chart, even during his last years of prolonged illness.

Whether China can achieve the ambitious goal that Mr. Chou outlined of becoming a "powerful, modern socialist state" by the end of the century will be a final test of his legacy to the Chinese revolution. Mr. Chou, who was 78, enunciated his vision at the National People's Congress a year ago, his last major public action.

Over the last two or three years, the shrewd, sophisticated and tenacious Mr. Chou also had helped put together a collective leadership of slightly younger men to succeed himself and Chairman Mao Tse-tung. With Mr. Chou's death, and with the 82-year-old Chairman Mao in frail health, the task of guiding China's 800 million people will now increasingly fall on them.

3 Critical Areas

Foremost among them is Teng Hsiao-ping, the tough, pragmatic, 71-year-old senior deputy premier, who also holds the important job of chief of staff of the armed forces and is a vice-chairman of the party, thus having a voice in three critical areas—the party, government and military.

Perhaps aware that Mr. Chou was approaching death, Mr. Teng has moved swiftly over the last few months to consolidate his power by appointing a large number of his own followers or like-minded party veterans to key jobs. But Mr. Teng, a short, blunt man, was purged during the Cultural Revolution and could still have powerful enemies.

In the view of analysts here, the other two important figures may be Chang Chun-chiao, the second deputy premier, who is about 68 years old Mr. Chang,



Wang Hong-wen

a smooth, pleasant man whom some Chinese compare with Mr. Chou, was a major architect of the Cultural Revolution and once was thought to represent the radical faction from Shanghai.

How well he gets along with

Mr. Teng, whom he denounced during the Cultural Revolution, is a frequent matter of conjecture.

Chief Political Commissar

Besides being second deputy premier, Mr. Chang also is chief political commissar of the armed forces and is one of the six surviving members of the powerful nine-man Standing Committee of the Politburo.

Beyond Mr. Teng and Mr. Chang, the possible makeup of a transitional leadership grows even more uncertain.

Beyond the 83-year-old Chairman Mao, Mr. Teng and Mr. Chang, there are three other members of the Politburo Standing Committee.

They are: Chu Teh, 89, the redoubtable marshal, who also is chairman of the National People's Congress; Ye Qianying, 71, the minister of defense, and Wang Hong-wen, a Shanghai activist in his 40s who was catapulted to prominence by Chairman Mao in 1973.

But all three are question marks—Mr. Chu and Mr. Ye because of their age and uncertain political power and Mr. Wang because he has been in

something of an eclipse most of the year.

As the list for Mr. Chou's funeral makes clear, however, Mr. Wang now ranks second in a party after Chairman Mao himself.

Transitional Period

At the level of actual administration, three other men whom Mr. Chou helped name as deputy premiers at the National People's Congress last January also may play important roles in the transitional period.

These include Li Hsien-nien, the chief economic administrator, Chen Hsi-hen, 63, commander of the Beijing military garrison, and Hua Kuo-feng, the minister of public security.

Mr. Hua, who is in his early 60s and came from Mr. Mao's district Hunan Province, has taken increasingly prominent roles in recent months in everything from agriculture to Tibetan affairs.

Except for Mr. Wang, all

them are aged. Few party leaders in their 40s and 50s have been promoted to positions of power.

"This tendency toward gerontocracy is nothing new in China where rulers usually have by on till their deaths."

But Notice in Soviet Bloc Is Slight

World Leaders Mourn the Passing of Chou

From Wire Dispatches

NEW YORK, Jan. 9.—Chinese Premier Chou En-lai was remembered in many non-Communist countries today as a brilliant and remarkable statesman. But the Soviet Union and most of its allies barely took official notice of Chou's death.

Reflecting the struggle between the Chinese-led and Moscow-led Communist party newspapers, the official Soviet Communist party newspaper, Rude Prava, gave it eight lines on Page 7.

The Kremlin today sent condolences to China on the death of Mr. Chou and asked that his sympathy be conveyed to his family.

Like the Tass report last night on Mr. Chou's death, the announcement in Moscow consisted of one paragraph and contained no tribute to the late Chinese premier.

One Sentence

Polish newspapers today carried a one-sentence item on Mr. Chou's death.

However, Albanian newspapers printed a black-bordered obituary notice for him today.

And in Romania, President Nicolae Ceausescu hailed Mr. Chou as a "bright revolutionary figure" and an "outstanding militant of the international Communist movement."

Romania has remained neutral in the Moscow-Peking feud; Albania is China's only Eastern European ally.

Yugoslav President Tito said in a telegram to Peking that Mr. Chou's death was "a great loss for the People's Republic of China and for mankind."

"Close Friends"

President Ton Duc Thang of North Vietnam, quoted by the official Vietnam News Agency, said, "Comrade Chou En-lai was an outstanding Communist militant, an eminent son of the Chinese people, one of the most outstanding leaders of the Chinese party and state, and a great and close friend of the Vietnamese people."

North Korean President Kim Il Sung sent a message of condolences. He praised Mr. Chou as an outstanding leader of the party and state of China, a distinguished revolutionary and a prominent figure in the international Communist movement.

The North Korean News Agency said Mr. Chou's death was treated as a major event in non-Communist countries throughout the world.

In Washington, President Ford sent condolences to Peking and said Mr. Chou "has left his imprint not only on the history of modern China but also on the world scene."

British Prime Minister Harold Wilson said Mr. Chou was respected as one of the principal architects of modern China and his loss would be keenly felt throughout the world.

Outstanding Niche

West German Chancellor Helmut Schmidt told Chinese leaders that Mr. Chou had carved himself an outstanding niche in the history of the People's Republic of China.

French President Valéry Giscard d'Estaing paid tribute to Mr. Chou for his role, "underlined by the great spark and distinction of his intelligence" in the development and progress of Communist China.

The Italian Communist party sent a brief telegram of condolences to the Chinese party.

Spanish Premier Carlos Arias Navarro and the Common Market Commission in Brussels sent telegrams of condolences.

Swedish Premier Olof Palme praised Mr. Chou as a great statesman.

"Great Loss"

Japanese Premier Takeo Miki said Mr. Chou had been "one of the top leaders of the world" and his death was "a great loss."

Canadian Prime Minister Pierre Elliott Trudeau and former Australian Prime Minister Gough Whitlam paid tribute to Mr. Chou.

The United Nations flag was ordered flown at half-staff at UN headquarters in New York and Secretary-General Kurt Waldheim praised Mr. Chou for "dedication to the fostering of better understanding among nations and international peace."

Asst. Leader

In Cairo, President Anwar Sadat said, "China has lost an astute leader, one of the best in the contemporary world. History will immortalize his memory as a unique leader and first-class statesman."

Yasser Arafat, head of the Palestine Liberation Organization, sent a message of condolences.



Detectives search through rubble in Jerusalem market.

8 Hurt in Jerusalem Market Blast

JERUSALEM, Jan. 9 (AP).—A homemade time bomb exploded in a crowded Jerusalem supermarket today, wounding eight shoppers.

Police said that they suspected Arab guerrillas in the blast, Israel's first of the new year. They detained 50 suspects for questioning in the neighborhood, the Jewish Quarter market, in the Arab sector of the city.

Hospital officials said that all but one of the wounded suffered minor cuts from flying glass and would be released today. One person required more intensive treatment, they said, but was not believed to be in serious condition.

The charge was placed inside a length of pipe and dropped into a shopping cart in the busy market, police said. The store was filled with shoppers making purchases in preparation for the Jewish Sabbath.

U.S. Will Cut Aid to Nations Voting Against Stance in UN

(Continued from Page 1)

not explicitly being told why, although, as an official said, "When our ambassador comes to them and complains about their votes in the UN, and a few weeks later an AID transaction falls through, they get the picture."

This year, the policy will be carried out in a more systematic and wide-ranging way, using all available aid programs—grant military aid, military credit sales, grant food aid, credit food sales, Export-Import Bank loans, development and humanitarian relief assistance—but relying initially and mainly on diplomatic protests.

State Department officials traced the origins of the new policy to three factors: one was the appointment of Daniel Moynihan as representative to the UN. Mr. Moynihan was offered this position after his article in Commentary magazine calling for a strategy of "raising hell" in the UN.

A second factor was Mr. Kissinger's long-held belief that when nations acted against important interests of the United States on issues that were extraneous to their own interests, the administration should take a stern line.

The third factor was the UN vote condemning Zionism as a form of racism, which caused a number of congressmen to press for cutting off U.S. contributions to the UN and to many of its member states.

State Department officials flatly reject the charge that they have produced a "sap list" and say that their policy has only a short-run objective. They said that an office has been set up in the State Department to monitor and analyze UN votes.

These officials acknowledged that, in most cases, only small developing nations that could do little to the United States in return are chosen for action. Such nations include: the Camerouns, Cyprus, Benin (formerly Dahomey), Niger, Senegal, Burundi, Chad and Malta. But the analysts also select nations like India, Bangladesh, and Nigeria for action.

One of the issues Mr. Gromyko was expected to take up in his talks here is that of the Japanese claim to four northern islands seized by the Russians at the end of World War II. This has been one of the stumbling blocks to conclusion of a Soviet-Japanese peace treaty.

China's support for the Japanese claim to the islands has been an irritant to the Russians.

Moscow, according to Radio Moscow broadcasts in recent months, sees Peking's support of Tokyo in its island claim as part of the Chinese effort to reduce Soviet influence in Japan.

The Soviet Union also sees current efforts by Tokyo and Peking to conclude a peace treaty as another part of Chinese maneuvers against Moscow.

Mr. Miyasawa said he hopes that Mr. Gromyko's visit to Japan will help solve various issues pending between the two countries since World War II.

World Food Program Aiding South Vietnam

ROME, Jan. 9 (UPI).—A spokesman for the World Food Program said this week that it is sending \$2.3 million worth of food aid to South Vietnam for flood victims and postwar rehabilitation.

He said just over \$1 million would help feed 50,000 persons in the Dien Ban region near Danang, hit by heavy floods, and food aid worth nearly \$1.3 million was earmarked for farmers in the Cu Chi and Ben Cat regions near Saigon.

Third Session

WASHINGTON, Jan. 9 (UPI).—Mr. Kissinger and Mr. Afton today met for the third time this week on how to proceed with the UN debate on the Middle East. Mr. Kissinger called the meeting "successful."

When a State Department official was asked later if a common approach to the UN meeting had been agreed upon, he said: "I don't believe we have made a final decision on that."

Japan Alerted Against China By Gromyko

TOKYO, Jan. 9 (AP).—in an obvious reference to China, Soviet Foreign Minister Andrei Gromyko today criticized those who he said are trying to cause trouble between the Soviet Union and Japan.

Mr. Gromyko, who arrived earlier in the day for a five-day visit, spoke at a banquet given by Japanese Foreign Minister Kiichi Miyasawa.

The Soviet official said there are those who are trying to complicate relations between the governments of Japan and the Soviet Union.

For them, he said, "a preferable situation is tension among countries, and we refuse this. . . . We believe we should try to prevent this kind of effort from interfering in the mutual interests of the Soviet Union and Japan, and we expect Japan to agree with this policy of ours."

Diplomatic observers said this statement clearly was aimed at China.

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Allon Alerted By Kissinger

(Continued from Page 1)

has to know that only a strong America can contribute to the peace process and that to the degree that other countries begin to question America's ability to shape events, to the degree that America seems to be a relevant factor in world affairs, somebody—somewhere along the line—will have to pay in blood and sacrifice Americans and friends of America.

"So the deep problem we face if we want to move the world toward peace is not only whether America will be reliable," Mr. Kissinger continued, "but also the question is whether with all the good intentions in the world America can stay relevant and strong enough."

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Unesco HQ Bombed

PARIS, Jan. 9 (AP).—Fire bombs were thrown at the two headquarters buildings of the United Nations Educational, Scientific and Cultural Organization last night, causing some damage, officials said. A group called the Jewish Self-Defense Front claimed responsibility.

Local Official Charged In Fatal Belgian Fire

MONS, Belgium, Jan. 9 (Reuters).—The local commander responsible for public services in the nearby town of La Louviere has been charged with manslaughter following the New Year's Day café fire there in which 15 people died, police said this week.

Gilbert Vandewoerde, 42, is alleged to have ignored reports concerning the lack of safety precautions at the "p-p" Café, where the fire occurred, the police said. The proprietor of the café, Jean-Marie Nalines, 51, has been arrested on similar charges.

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China Held Unlikely to Grow Into a Major Exporter of Oil

By Theodore Shabad

NEW YORK, Jan. 9 (NYT).—A U.S. government study, triggered by China's sudden emergence as a major oil producer, predicts that Peking is unlikely to become a significant force in world petroleum markets despite rapid current increases in output.

The study, prepared by the CIA, finds that domestic needs in China, the world's fourth-largest consumer of energy, are likely to limit oil export potential over the next decade.

Even under the most favorable assumptions, the study contends, China will be in a position to export in 1985 only a tenth of the oil now being exported by members of the Organization of Petroleum Exporting Countries.

"This is hardly in keeping with the image of a country whose potential oil resources have been compared with those of the entire Middle East," the CIA study concludes. "In fact, it underscores just how inept these comparisons really are."

Reports Available

The study, titled "China: Energy Balance Projections," was completed two months ago for use by government officials. It is now available to the public, as are a growing number of CIA research reports. They are being distributed to scholars, journalists and others outside the government through the so-called Document Exchanging Project of the Library of Congress.

The research study on Chinese oil was evidently designed to counterbalance recent speculation that China may within a few years become a major oil exporter.

Observers of the international oil scene, in their search for non-OPEC sources of oil, are becoming increasingly interested in China, the report notes. "Heartened by reports of the rapid growth of China's oil industry and the vast oil resources, they view China as a potential source of sizable crude exports."

Recent actions by Peking, which has been exporting oil output in recent years at an annual rate of 20 per cent, have apparently reinforced that view.

China began exporting its first significant amounts of petroleum in 1973, mainly to Japan, which after the United States is the largest oil importer. In discussions with the Japanese, Chinese officials are reported to have shown willingness to export as much as a million barrels a day by 1980, or five times the export level estimated for last year.

According to the CIA study,

Local Official Charged In Fatal Belgian Fire

MONS, Belgium, Jan. 9 (Reuters).—The local commander responsible for public services in the nearby town of La Louviere has been charged with manslaughter following the New Year's Day café fire there in which 15 people died, police said this week.

The OAU's Responsibility

The Organization of African Unity summit opening Saturday has become the occasion for some welcome if still tentative diplomatic initiatives by the leading foreign actors in the Angolan civil war. Those actors, though not indifferent to the favor of the OAU, seem chiefly interested in using the summit to arrest the fast-escalating national complications of their own involvements. This offers a slim though fleeting prospect for moderation which is up to the OAU to grasp.

Thus South Africa, which can see its Angola adventure jeopardizing its valuable policy of "détente" with black Africa, is reported to be ready to pull its troops out of Angola before the OAU session opens. This would remove the so-far crippling contradiction—its blind eye to South African intervention—in the U.S. protests against Soviet and Cuban intervention. The Post notes in this regard that President Ford, who had previously limited his outrage to "extracontinental" intervention, now is speaking out against "all outside intervention." Then, though the signs are still somewhat ambiguous, even the Soviet Union is showing some readiness to temper its all-out brazen support of its chosen Angolan faction. The diplomatic costs to Moscow are mounting in Europe, not to speak of the United States, and the prospects of an early decisive victory on the ground in Angola are not all that promising.

* * *

So the ball is now more than ever in the OAU's court, which is a good place for it to be and which is where it should have been all along. The Russians, who control the Cubans, and the Americans, who can influence the South Africans, have given about as much of an indication as one might reasonably expect that they are ready to consider backing off in Angola in order to serve their larger interests outside Africa. The OAU, however, can easily blow it. It can blow it by lapsidically supporting the position of one side only in the Angolan civil war. The side likely to be supported is the Soviet-backed Popular Movement for the Liberation of Angola, headed by Agostinho Neto. If an OAU majority endorses the Popular Movement's position, it will remove a large part of any incentive the Popular Movement may have to go for less than total

victory and instead to compromise with its Angolan rivals. But if the OAU comes out for a cease-fire and an end to all outside intervention and a government of national unity, then there will be some chance for de-escalation and a negotiated settlement. Left to themselves, the Angolans may still decide to continue their struggle. But the waste and suffering, at least, would be on a reduced scale. Perhaps more important in the long run, the OAU would have taken a giant step to preclude further foreign intervention on the African continent.

* * *

These diplomatic shiftings could come to nothing. The United States ought to be prepared, in the Post's view, to accept with relative equanimity whatever government finally prevails in Angola. It should also be prepared to accept a diplomatic rebuff at the OAU summit in Addis Ababa. For it is the Ford administration's prestige more than any demonstrably vital U.S. interest that is chiefly at stake there. Still, the diplomatic road, as opposed to the CIA road, is the right way to go. The administration, not to say the U.S., would have been better off if that road had been pursued from the start. As it is, it seems reasonable to speculate that congressional opposition to further CIA involvement in Angola played a part in encouraging the administration to seek out diplomatic avenues—in Africa and with the Russians—which it explored inadequately before.

In this regard, we find it curious that President Ford, while addressing a farm audience last Monday, should have categorically pledged not to use the leverage of grain exports to diminish the Soviet role in Angola. That there are domestic pressures working against the restraint of grain exports has always been clear. But farmers will not invariably put their own immediate financial interests over the larger national interest—unless, of course, they are encouraged to do so by a presidential candidate who also happens to be the President. Mr. Ford surely could have found a way to soothe the farmers without simultaneously crimping his diplomatic approach to Moscow on the Angolan issue. It is, as we say, a curious, not to say craven, way to make foreign policy.

THE WASHINGTON POST.

Chou En-lai

Chou En-lai was one of the more far-sighted statesmen of the 20th century. If the acute stage of the cold war from the late 1940s to the mid-1960s is now but a memory, it is in part because of the role this great Chinese leader played in altering the ideological alignments that were at the core of the struggle.

In the early 1960s, Chou was a central figure among those Chinese leaders who dared to defy Soviet pressures and adopt a truly independent policy for Peking. Subsequently, along with Mao Tse-tung, he was the key Chinese in repairing the long-shattered Sino-American relationship. The world has hardly been the same since Chou En-lai and Henry Kissinger first met and shook hands in Peking during that historic meeting in 1971 that opened the way to a new and better—if still not entirely easy—understanding between the People's Republic of China and the United States.

In the larger context of Chinese history since the 1920s, Chou is a giant figure second only to Mao. Of mandarin lineage, he was strongly affected from the outset of his career by resentment and anger at the utter helplessness of his country in the early decades of this century. Seeking restoration of national dignity and strength, Chou and Mao both turned to the example of revolu-

tionary post-1917 Russia and embraced the ideology and vocabulary of Marxism.

With the wisdom of hindsight, we can see now that they were more deeply Chinese than purely Marxist; that national goals took precedence over ideological theories, despite the internationalist vocabulary they used at the height of the Soviet-Chinese alliance in the 1950s. The kind of Communism they developed in China—at enormous cost in human lives and personal liberty—was the product both of China's deep poverty and of the lessons Chou and his comrades learned during their long struggle from the time Chiang Kai-shek almost destroyed them in the 1920s to their conquest of mainland China in 1949.

Organizer, propagandist, administrator, negotiator, military leader, conciliator, there is almost no major role Chou did not play—and almost always play successfully—in the convoluted process by which China has come to be a world political power.

Chou En-lai had a flexibility and talent that enabled him to adjust to radically changed situations. He was an opponent of the United States for many years; but his contribution in the present decade toward restoration of rapprochement will surely rank in historical perspective as one of his major accomplishments.

THE NEW YORK TIMES.

International Opinion

'Another Crisis in Italy'

Italian governments are transitory things. But the fall of Moro's, the 37th since Mussolini, should make no one feel complacent. It is true that the Italians have seen the politicians change places without changing events often enough in these last 32 years to make every Roman citizen a cynic. This time, however, the change could be real and—for Italy's friends—uncomfortable. Moro's Christian Democrats stayed in power until Wednesday by courtesy of the Italian Socialists. The Socialists have now withdrawn their support because they feel that Moro paid insufficient attention to their demands and policies and too much to the demands of the Communists. This may well be true.

In the International Edition

Seventy-Five Years Ago

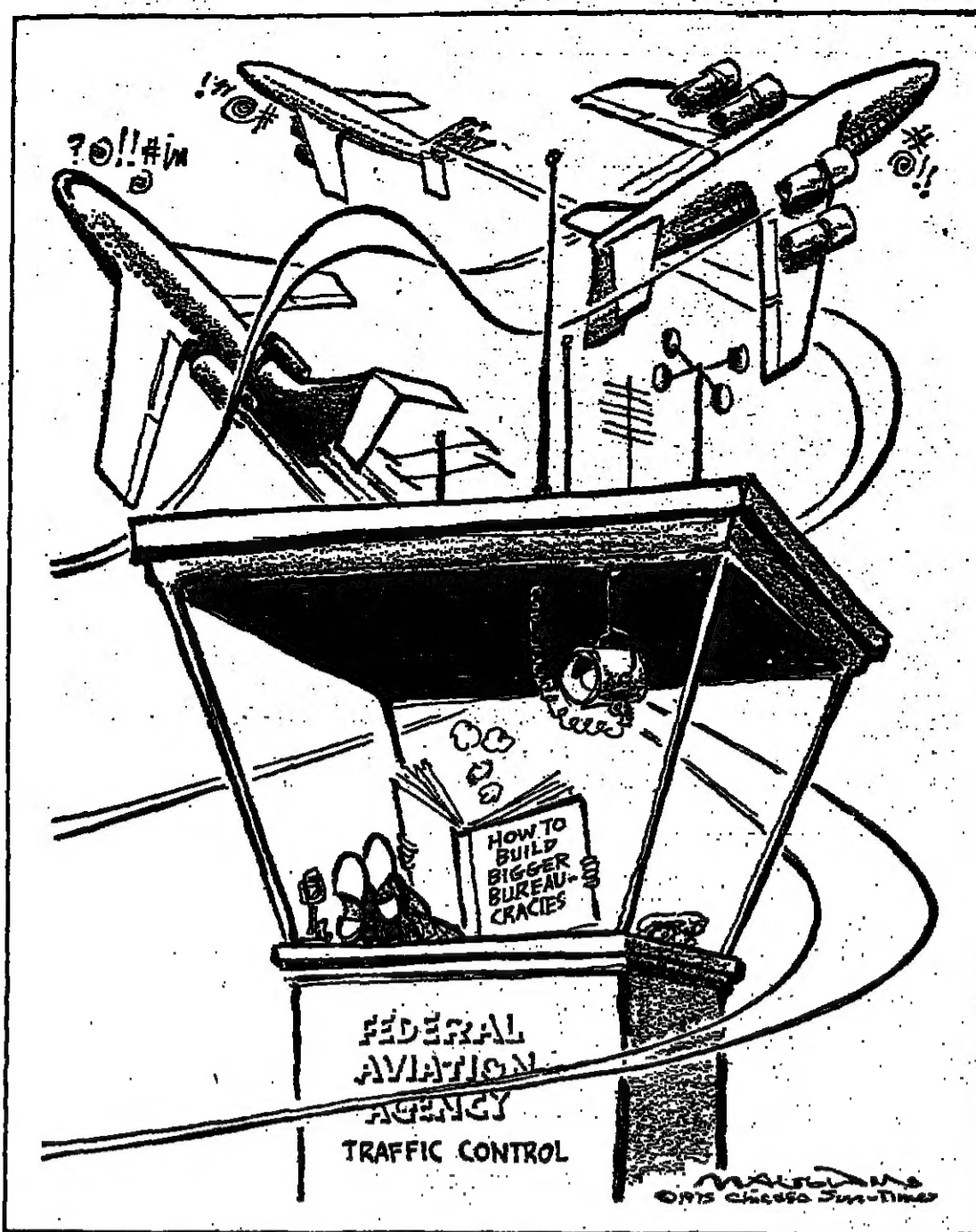
January 10, 1901

NEW YORK.—Grippe, or influenza, which has been prevalent here in a mild form for some time past, is now epidemic all over the country. It is estimated that nearly 200,000 people in New York and its vicinity are suffering from this dangerous malady, while in Chicago it claims fully 100,000 victims. About 60 fatal cases have occurred since Jan. 1, and the hospitals are crowded with patients.

Fifty Years Ago

January 10, 1926

NAPLES.—The eruption of Mount Vesuvius is increasing in violence. Lava, which is now gushing from two vents in the interior of the crater, forms a torrent 40 feet wide and extending a distance of more than half a mile. With awe-inspiring rumblings the mountain is throwing up immense quantities of incandescent material to a height of 2,000 feet.



Who Said Vaudeville Was Dead?

By James Reston

WASHINGTON.—It is easy to criticize the U.S. primary election scramble, and to scoff at all these presidential yearners kissing babies on Pennsylvania Avenue and throwing snowballs in New Hampshire, but we're stuck with it for the rest of the winter. And we'll probably have to try to understand and make the best of it.

There is something to say for the primaries, but not much. Between the pro football Super Bowl in January and the opening of the baseball season in the spring, the primaries are the best spectator sport Americans have: intensely human, totally unpredictable, vaguely dangerous, often amusing, occasionally instructive. They are the last remnant of the old vaudeville circuit, of vaudeville, and the road show.

Why They Run

The candidates or main players in this struggle are the real puzzle. What makes them run? It is a hellish life of 10 steps a day in unfamiliar towns, of unprepared speeches in steaming halls, long bus rides with noisy reporters, and bumpy airplane flights in bad weather—at the end of which the candidate is expected to bound down the ramp at every stop, fresh and cheery, with answers to all the intractable problems of inflation, unemployment, welfare, the CIA and its dilemmas in Angola and Italy.

This is a serious point. We will never know the agonies of conflict all this causes between the professional ambitions and the private lives of these dreaming candidates. Teddy Kennedy pulled out because he could not explain or reconcile his personal and family problems with his political aspirations. Muriel Humphrey has gone through all this before, and has fled to Minnesota to protest against another try. But Hubert stays behind in Washington, not running but not withdrawing, just in case.

Vice-President Nelson Rockefeller is another maverick. He got the impression, to put it gently, that President Ford's eagerness to have him as a running mate in 1976 was not unbounded. So he withdrew from the vice-presidential race. But like Humphrey, he did not withdraw from the outside chance of the presidency itself. He will lead the New York delegation to the Republican nominating convention at Kansas City, and it will be an "uncommitted" delegation—again, just in case Ford and Reagan knock each other off in the primaries, and the convention has to turn to somebody else.

In short, old politicians never give up. Once hooked on the

presidency, it is an appetite more addictive than dope, booze or sex. It consumes men as physical as George Wallace of Alabama and as intellectual and promising as Gene McCarthy of Minnesota.

Best Shy Away

"Nowhere but in America," as Harry Golden says, could there be such a goofy but glorious political music. It is so nutty that the best of our young presidential hopefuls inside politics, like Fritz Mondale of Minnesota and Gov. Reuben Askew of Florida, won't touch it. And the best of our people outside politics, like President Kingman Brewster of Yale, won't risk it.

But even so, we still have a battalion of candidates in 1976 and they are as good, if not better, than the Nixon-Agnew-McGovern and McGovern-McCarthy of 1972. Looking at the past, it's no wonder that the Ronald Reagan challenge Jerry Ford, and the Scoop Jacksons and Jimmy Carters try for the Democratic presidential nomination.

For so many strange and even fantastic things have happened in American politics in the last generation—the murder of President Kennedy, the virtual abdication of President Johnson, the spectacular rise and fall of Richard Nixon—that nothing now seems preposterous and almost anything seems possible.

In a crazy world, everybody is sane and everything seems logical. Nixon could lose the presidency to Kennedy in 1960 by a whisker, and then lose the governorship of California to Pat Brown in 1962, and then abandon California and live in Nelson Rockefeller's apartment house on Fifth Avenue in New York for many empty years before running and winning the presidency. Accordingly, we should not be surprised—though we are—that Rockefeller still hears "Hail to the Chief" in the night.

Jimmy Carter is impelled by this same wild belief in the element of accident in life and politics. We've never had a peanut farmer, nuclear scientist, and former governor of Georgia in the White House, so why not now?

Even John Connally of Texas, whose enemies in the Democratic party are almost as numerous as his enemies in the Republican party, thinks he still might get the call if Ford and Reagan knock each other off. Especially since—believe it or not—Richard Nixon is still operating in the western wing, still thinks Connally would be a good idea, and even that he may have influence through his old buddies around Ford in the White House to produce the decision.

All this running around in the snows of New Hampshire, and

fiddling with delegates in Iowa, seems remote from reality and depresses people who are looking for another Jefferson. But the record is that we get two or maybe three really outstanding presidents every hundred years, and if the rest have energy, decency, and common sense, we are lucky.

So the chances are that we will get such a decent, competent, energetic character out of the primaries and the nominating conventions. The best won't run and the worst probably won't win, but the system will probably produce somebody who will make a new start and at least change the question. It won't be heroic, but it will be different, and maybe give us in America a chance for a new beginning.

Proposal: Scare Europe Into Unity

By Bernard D. Nossiter

LONDON.—Julian Critchley, a militant and romantic Tory MP, has come up with a provocative proposal to celebrate America's Bicentennial Year. Writing in the Times of London, he urged the United States to give Western Europe its "independence" by withdrawing troops from the Continent.

This is a heartfelt if paradoxical plea from the right, not the left, and it contains the seeds of a perverse logic. It rests on the notion that Europe will never unite as long as it remains sheltered by U.S. defenses.

A withdrawal of commitments, Critchley argued, would be an American act of "generosity, vision and courage." Nothing else, he insists, will prod the nine Common Market states into yielding the sovereignty required for integration.

Europe, he asserted, is not divided by oil, wine or butter but by guns.

Critchley's proposal, with its Gaullist flavor, will not be considered seriously by any of the Nine, even and especially the French. It will find little favor in Washington as well.

But there is a ruthless, realistic quality in Critchley's essay and it illuminates strikingly why the Common Market remains little more than a customs union with a clumsy farm price support policy attached.

Non-Event

Leo Tindemans, the Belgian Premier, has given his colleagues a blueprint for achieving something called monetary and economic union; it was a non-event. The Nine will simply not move more closely together unless they feel threatened—and they do not.

The Common Market was created from the Coal and Steel Community, a cartel set up out of fear of a fourth Franco-German war in a century. Even though French missiles are still aimed at Germany, the cartel has done its work, and armed conflict between the two is unthinkable.

In much the same way, the Treaty of Rome that bound the original six Common Market members together in a customs union was inspired by a twin fear: One was that Soviet troops might invade Western Europe and the other was disaster in U.S. willingness to take part indefinitely in Europe's defense.

Over time, both fears have evaporated. The Red Army does not march and the U.S. troops stay on. The Six became Nine, but the threat receded.

If integration is an end in itself—and Critchley is frank

Questions After Chou The Chinese Succession

By C. L. Sulzberger

PARIS.—China's leadership problem has neither been complicated nor moved nearer to definitive solution by the death of the indomitable, elegant Chou En-lai. Chairman Mao Tse-tung, although very old and frail, remains so powerful a symbol of revolutionary continuity that all Chinese, even those likely to contest the succession, dare speak only in his name.

But this does not mean the question of who will lead Maoism's second generation has been answered, or in which direction it will head. The fact that First Deputy Premier Teng Hsiao-ping was brought back from disgrace to direct daily government during Chou's terminal illness doesn't necessarily imply the road to ultimate power lies open to him.

The young Wang Hung-wen, or Chang Chun-chiao and Yao Wen-yuan are still redoubtable figures in the background. And there is a continuing possibility that some recently restored military commanders or high functionaries whose views on Russia are less harsh than Mao's and Chou's might emerge on top.

Unpredictable

One must never forget that the post-Lenin power contest in Soviet Russia's more scrutable society and the protracted one following Stalin's death were by no means predictable as to outcome. Furthermore, in each case foreign policy implications were enormous.

Although Trotsky, who preached the "permanent revolution," seemed a more brilliant, charismatic figure and although Lenin had himself warned against Stalin's brutality, Stalin coldly triumphed. He ended Trotsky, finally had him murdered, and discarded Trotsky's concepts in order to build a firm Communist base in isolated Russia.

After Stalin, committee-rule sought to govern the U.S.S.R., but one group after another was dissolved. Beria was murdered, Molotov and Malenkov disgraced; then Khrushchev eased out Bulganin and was himself ousted by a party-army faction from which Brezhnev emerged as boss.

The eventual consequences of these leadership changes produced an uneasy new effort to improve relations with the United States and a simultaneous break with China. For the last decade and a half, the Sino-Soviet clash has dominated and dominated thinking in both Moscow and Peking.

Many observers (and these included Premier Chou) speculate the Russians hope to stir trouble in China after the Maoist leadership dies in order ultimately to encourage the chances of suc-

cessors they might consider more amenable.

Indeed, some months before his health finally collapsed, Chou told me: "The only purpose of the bilateral negotiations [with the Russians] suggest for a non-aggression pact [with China] is to drag the matter on and on with out settlement, while waiting for other opportunities."

Chou deeply suspected that Soviet policy aims and in the end he echoed Mao's opinions. Europe, if Russia wishes to expand, it is not only in East Europe but also in West Europe; to dominate everywhere it can, he said. "And this is also true with respect to China and elsewhere Asia. . . . They are expanding land, at sea and in the air. This is their international aim."

From Khrushchev through Brezhnev, the ruling clique of the Soviet Union has changed. . . . It is following policy of foreign expansionism and domestic fascism. . . . Russians never ceased sending agents, spies and subversives [everywhere]. . . . China is among those which would never accept such stuff because China, and the leadership of Chairman Mao would never submit."

Chance Welcomed

Since Mao and Chou realized China's present weakness, they welcomed the chance to improve relations with the West above all the United States. The event moved the Taiwan question to enhance the possibility of friendship. They urged U.S. and NATO vigilance and military strength with respect to Russia. This has been Peking's policy for approximately four years, but there is no assurance it will continue so indefinitely. It is a kind of internal argument among aspiring leaders now taking place on this issue.

China unexpectedly released the crew of a Soviet helicopter after long imprisonment in a Chinese prison. . . . Mao himself took the occasion of a visit to Nixon's daughter and her husband's grandson to associate his personal prestige with the young Americans. A propaganda move was prepared on their receipt.

Any such disagreement, course, would be taking place covertly. But the succession problem has not yet been settled by Teng's present importance. By the disappearance of Chou, at least as many shadows as there—perhaps some, as Teng has been, still in disguise—are possibly stirring in a curtailed Peking. After all, such was the case in Moscow during Bolshevik's own two great contests for power.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address.

July 10 1976

-75/76- Stocks and Div in \$		Sts.	3 p.m. prev.	Crise	-75/76- Stocks and Div in \$		Sts.	3 p.m. prev.	Crise	-75/76- Stocks and Div in \$		Sts.	3 p.m. prev.	Crise
High.	Low.	P/E 100s.	High Low Quot.	Chkn	High.	Low.	P/E 100s.	High Low Quot.	Chkn	High.	Low.	P/E 100s.	High Low Quot.	Chkn
57 1/2	32	Owen	11	1.72	18	366	57 1/2	37	57 1/2	4	10	10	10	10

April 1960

Larger of 2 Oil Firms Approved by France

PARIS, Jan. 9 (AP)—The French government today approved the merger of state-owned ELF and Elf Aquitaine, creating a new oil giant.

Elfs Warned 76 Looks Like For New Year

PARIS, Jan. 9 (AP)—Elfs are warning that they will be getting richer under the new tax law, which will be in effect at the start of 1976. The law, which was passed by the National Assembly on Dec. 23, will reduce the corporate tax rate from 45 to 35 percent.

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Economic Analysis OPEC Aid to Needy Held Insufficient

By Hobart Rowen

KINGSTON, Jamaica, Jan. 9 (WP)—A habit of apologists for the Organization of Petroleum Exporting Countries (OPEC) is to suggest that its generous hand with aid money has more than compensated poor countries for the increased price of oil.

The World Bank has emphasized that OPEC transfers of economic assistance, measured against gross national product, are greater in percentage terms than aid given by the 17 rich members of the Western world, grouped as the Development Assistance Committee (DAC).

Last Aug. 30, World Bank president Robert McNamara stated that the increased costs of oil to all developing countries for 1975—about \$11 billion—were more than offset by capital flows from the wealthy industrialized states as well as the oil producers. This, of course, ignored the fact that much of the "capital flows" were loans at commercial rates of interest that must be repaid.

But at the meeting here of the Development Committee of the World Bank and the International Monetary Fund, the question has been raised for the first time whether the OPEC countries—who have caused a critical problem for the non-oil-producing nations of the third world—are bearing a proper share of the aid burden.

Is OPEC, with all of the vast wealth now at its disposal, discharging its obligations by measuring its aid against GNP, which of course is still very small in comparison with the industrialized states of the West?

In the current issue of Foreign Affairs, Maurice J. Williams of the DAC makes a convincing case not only that OPEC aid so far has been "skewed" in favor of a few countries, mostly Mexico, but that OPEC has a clear capacity and responsibility to boost and broaden its economic assistance, subsidized and in other forms.

It should be remembered that when OPEC met in Vienna last fall, the cartel raised oil prices for the third year in a row with the world still in an oil-related recession, and at a time when the volume of world trade had begun a significant decline.

This price increase—cheered by the soft-headed in Western democracies because it was more modest than they feared—will add another \$1.5 billion to the oil bills of the poor non-oil, less developed countries this year, making their annual cost for oil about \$13 billion beyond the level of their payments in 1973.

In 1974 and 1975, OPEC aid commitments have run a total of about \$20 billion. But only about half of this represents transfers of short-term resources—the kind needed to help correct the severe balance-of-payments problems being experienced in the third world.

And only about half of the \$10 billion (in the two-year period) has been doled out at low interest rates (the balance carries a solid 8 percent).

A confidential study prepared by the Development Committee staff for these sessions shows that in 1974 OPEC aid in subsidized terms amounted to only \$2.4 billion or 16 per cent of the total, while the Western democracies supplied \$11.5 billion or 76 per cent. The balance came from Communist countries.

Many of the third-world countries, despite the desperate straits created for them by the oil price increase, have supported OPEC in international forums because they exist in its power squeeze on the West and hope one day to emulate it.

So long as the poor states play along with OPEC's political game there will be little incentive for OPEC to provide discounts or special concessions on oil to the poor countries.

That makes it even more imperative for international agencies such as the World Bank and the IMF to push OPEC to assume a greater share of aid to alleviate a problem the cartel itself created.

Finance Ministers Study Aid to Poor

KINGSTON, Jamaica, Jan. 9 (UPI)—Finance ministers from 20 International Monetary Fund nations today turned their attention to improving the economic conditions of developing nations after having approved the world's first monetary reform in three decades.

The same group of ministers which acted yesterday on behalf of the IMF's 123 member nations in approving the monetary reform, reconvened today as the joint IMF-World Bank development committee to spend two days analyzing the problems of the world's poorer countries and outlining programs to solve them.

Treasury Secretary William Simon called the monetary package "a fundamental reform" which "ends successfully a three-year effort."

The reform not only sanctions the flotation of the dollar—began in 1971—but also permits continuation of the policy. It will also abolish the official price of gold, laying the groundwork for a policy treating the metal as just another commodity.

While ratification of the reform is expected to take about 18 months, provision was made for interim implementation of key programs, including allowing developing nations to borrow 48 per cent more money from the IMF.

H. Johannes Witteveen, the IMF managing director, said last night that the monetary agreement clears the way for about \$3 billion in additional financial assistance to the developing nations during 1976.

"It's difficult to say if it's enough," he said, adding that the availability of new financing through the IMF represents an "important" contribution to keeping the agency's members from being driven to new restrictions on international trade.

Agreement to increase IMF lending authority by 45 per cent across the board would make available \$1.5 billion in additional funds available for loans to developing nations, he said. The recent expansion of the IMF's compensatory financing arrangements, he added, could provide another \$1 billion.

Sales of gold at market-related prices, he went on, would add another \$500 million to the package during 1976, and more later under the plan to dispose of \$5 billion worth of IMF-held gold over a four-year period.

In regularly scheduled auctions to finance a new "trust fund" for aid to developing countries.

While Mr. Witteveen said the IMF would not consider central banks as eligible borrowers for the \$5 billion ounces of gold to be sold at market-related prices, the IMF had said the Bank for International Settlements in Basel could buy the gold.

U.S. Wholesale Prices Fall 0.4%

WASHINGTON, Jan. 9 (AP)—The second consecutive monthly decline in wholesale farm prices eased inflationary pressure in December, but there was no improvement in the nation's stubborn unemployment rate, the government reported today.

In separate reports, the Labor Department said wholesale prices fell a seasonally-adjusted 0.4 per cent last month while the unemployment rate was unchanged at 8.3 per cent with 7.3 million workers out of a total work force of 89.3 million unable to find jobs.

Presidential Press Secretary Ron Nessen said the wholesale prices "are an indication that inflation is moderating and there is no evidence of acceleration."

He also cited increases in the number of people employed as evidence that the economy continues to recover. But he noted a 0.6-per-cent rise in wholesale prices for industrial commodities was considered unsatisfactory by the administration.

For the year, unemployment averaged 8.5 per cent, the highest level since 1947, when the rate averaged 9.9 per cent of a labor force of 55.9 million.

The jobs rate is expected to remain above 7 per cent this election year, but a somewhat brighter picture is forecast for inflation.

The December decline in wholesale prices for farm products, processed food and feed more than offset a rise in prices for non-food goods.

Wholesale prices over the past 12 months have risen 4.2 per cent, the smallest annual rise since 1971, when they were up 4 per cent. In 1974, wholesale prices jumped 20.9 per cent.

Last month's drop followed November's steady price performance and was the sharpest monthly decrease since last March, when prices at the wholesale level dropped 0.5 per cent.

The overall steadiness in joblessness last month masked erratic movements in the distribution of unemployment among the various worker groups. For example, the jobs rate for

Swiss Prices Decline 0.1%

BERN, Jan. 9 (AP)—Switzerland's cost of living index dropped last month for the first time in 15 years, declining by 0.1 per cent from the month-ago level.

The end-of-year inflation rate was 3.4 per cent, less than half the 7.6-per-cent growth in 1974 and the lowest since 1969, the Trade and Industry Office announced today.

Lower retail prices for light heating oil were cited as the main factor for the December decline. Food prices increased fractionally.

Helped by cheaper imports due to the strength of the floating Swiss franc, Switzerland now has the lowest inflation rate of any of the major industrialized countries.

Lesser last month masked erratic movements in the distribution of unemployment among the various worker groups. For example, the jobs rate for

adult men declined to 6.5 from 6.9 per cent in November.

This was offset by a 0.8 percentage point increase among all women, which stemmed chiefly from a worsening in the job market situation for teen-age girls.

The unemployment rate for all teen-agers returned to October's 10.9-per-cent rate following the drop to 18.6 per cent in November.

The jobs rate for blue-collar workers dropped to 10.3 from 11 per cent last month. The average duration of unemployment edged down to 16.4 weeks in December after recording a large increase to 16.8 weeks in the previous month.

The department noted that non-farm employment since last June has risen almost 1.5 million persons but the payroll tally was still about 1 million below the record level reached in September 1974.

Manufacturing employment rose by 80,000 last month with most of that increase occurring in the durable goods sector.

The average work week for a factory worker jumped 0.4 hour to 40.3 hours while factory overtime climbed 0.3 hour to 3 hours in December after holding steady at 2.8 hours since last August.

Another Gain on Big Board Climaxes Near Record Week

NEW YORK, Jan. 9 (Reuters)—The Dow Jones industrial average rose 3.15 to 111.13, bringing to around 52 points the advance for the week. (At 3 p.m. the Dow was ahead 1.65 points.)

The week-long jubilation was attributed to several factors, including lower interest rates, an easier U.S. monetary policy, a sharp pickup in new-car sales in December, and signs that inflation was moderating.

Volume totaled 23.51 million shares compared with 29.03 million yesterday.

Among the most active issues, Polaroid was ahead 1 7/8 to 35 1/4. At 3 p.m. it was up 1 1/2 to 34 3/4 and Avon Products was 2 higher at 25 3/8.

Kimberly-Clark gained 1 1/2 to 40 3/8. It is predicting an excellent fourth quarter raised 1975 net to a record high.

Less active but also attracting strong support were: Archibald Cameron, up 1 3/4 to 44; Superior Oil, up 1 to 131; Halliburton, ahead 1 3/4 to 159; Burroughs, up 3 5/8 to 87 3/8; and Celanese, ahead 1 1/4 to 47.

Digital Equipment climbed 2 1/8 to 147 3/4. Pillsbury rose 2 1/8 to 40 1/8 and Hilton gained 2 1/8 to 35 1/2.

Autos and steels scored fractional gains, but chemicals were narrowly mixed.

Disney picked up 1 3/8 to 52 3/4. MCA rose 1 1/2 to 74 1/8, and CBS added 1 1/2 to 50 7/8.

Prices on the American Stock Exchange advanced in moderate trading. The index rose 0.30 to 82.82.

RSC Industries added 7/8 at 2 3/8. It is offering to purchase 1.2 million shares of its out-

standing common stock at \$2.46 each.

Champion Home Builders rose 1 8 to 4 3/8.

The bond markets closed on a strong note with prices advancing up to 1.2 point in the corporate sector and by 1/2 to 3/4 point among long-dated treasuries.

On the money market, federal funds moved lower, closing at 4.525 per cent in the absence of any direct Federal Reserve intervention. Treasury-bill yields also moved lower.

Dealers said the Fed bought \$300 million of bills for customer account, which prompted a further advance in the bill market and a fresh fall in the funds rate.

Although bill transactions for customer account do not directly affect the domestic money market, they often have a psychological impact.

Because the Fed does not have to direct these transactions to the market, they are often interpreted as an indication of its attitude towards current market trends.

On the over the counter market the NASDAQ industrial average rose 0.79 to 88.96.

In Chicago, grain and soybean futures prices weakened slightly. Trading was relatively light and there was little outside influence on the market.

Company Report

In Millions of Dollars

Company	1974	1975
Revenue	283.2	263.4
Profits	32.16	26.71
Per Share	1.89	1.65
Revenue	1,134.9	965.2
Profits	114.27	87.38
Per Share	6.92	5.21

Revenue

Profits

Per Share

Revenue

Profits

Per Share

Revenue

Profits

Per Share

Revenue

Profits

Per Share

Revenue

Profits

Per Share

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300 stocks are ranked 2 (Above Average)
500 stocks are ranked 3 (Average)
700 stocks are ranked 4 (Below Average)
900 stocks are ranked 5 (Lowest)

Not every stock will perform in accordance with its rank in any year, and the system can guarantee a profit or a loss. But such a high percentage of stocks do so in the past, for logical reasons based on earnings, growth rates and risk, that although no one can guarantee future results, the probabilities are such as to justify the odds definitely in your favor when you line up your stocks with the Value Line ranks.

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c) Estimated Yield in the Next 12 Months—with a "blackball" next to each stock about whose present dividend rate there is some doubt. (100 stocks are in the 10% to 15% range—Value Line Sept. 12).

d) Estimated Annualized Potential in the Next 3 to 5 Years—attaching the "target" price range and the percentage price change indicated. (100 stocks are in the 15% to 75% range—Value Line Sept. 12).

e) Current price and P/E ratio indicated annual earnings and dividends in current 12 months. Also the stock's Beta.

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Isuzu Motors 1975 Loss Put at 8.7 Billion Yen

TOKYO, Jan. 9 (AP-DJ)—Isuzu Motors Ltd. incurred a loss of 8.7 billion yen (about \$58.8 million) in the year ended Oct. 31, largely because of sluggish sales of its most profitable large trucks.

A company spokesman said today the company expects profitability to improve during the current year, but it still will show an estimated operating deficit of between 3 billion and 2.5 billion yen.

Isuzu's sales for the latest year were 356.20 billion yen. It posted a profit of 2.01 billion yen for the year ended Oct. 31, 1974, on sales of 336.22 billion yen. The company, which has not paid a dividend for years, passed its dividend for the latest period as well.

Isuzu liquidated part of its securities portfolio—1.25 billion yen—to reduce its operating deficit. The operating deficit was 10.25 billion yen.

Isuzu sold 351,508 autos in the latest year, up from 331,837 autos a year earlier. Exports accounted for 112,783 units, up from 89,743 units in the 1974 period.

But sales of large trucks totaled 52,838 units in the latest period, down from 61,251 units a year earlier. The protracted business slump was cited for the lower sales total.

The company estimates its auto shipments for the current year at 300,000 units, of which exports will account for nearly 100,000 units. Shipments of large trucks are expected to decline further to 48,000 units in the year ending Oct. 31.

Sales for the current period are expected to increase to 410 billion yen.

U.K. Stock Prices Hit 26-Month High

LONDON, Jan. 9 (AP-DJ)—Share prices on the London Stock Exchange jumped to a 26-month high in late afternoon trading today.

The Financial Times industrial index closed at 401.6, up 11.1 for the day. It last closed above 400 on Nov. 18, 1973, when it was at 402.6.

Brokers said the buying was partly due to a sharp rise in bond prices after the Treasury announced new bond issues totaling \$1.1 billion.

Another factor has been the decline in interest rates here and abroad and prospects for a lower U.K. inflation rate in 1976, analysts said.

DC Gold Index Quotation & European Gold Markets

London 200 125.20 126.55 127.75
Paris (17.5 kilo) 179.16 179.04 179.04
U.S. dollars per ounce
Interwest Gold Bonds (100,000) 1,000.00
Value expressed in U.S. dollars.
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